

**ANNUAL REPORT**  
**OF THE**  
**DETROIT AND MACKINAC**  
**RAILWAY COMPANY**

**FOR THE YEAR ENDED DECEMBER 31st**  
**1948**



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RAILWAY COMPANY**

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# DETROIT AND MACKINAC RAILWAY COMPANY

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## DIRECTORS AND OFFICERS

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### BOARD OF DIRECTORS

CHARLES A. PINKERTON, JR.	East Tawas, Mich.
WALTER F. KEERS	Brooklyn, N. Y.
STANLEY E. LAWFER	Allentown, Pa.
J. F. HIGGINS	New York, N. Y.
R. W. PIEPKORN	Alpena, Mich.

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### OFFICERS

CHARLES A. PINKERTON, JR., President and General Manager	Tawas City, Michigan
N. W. SALSBERY, Secretary and Treasurer	Tawas City, Michigan
A. J. SEVENER, Auditor	Tawas City, Michigan
R. W. HICKEY, Assistant to General Manager	Tawas City, Michigan
W. T. YAKE, General Freight Agent	Tawas City, Michigan
CARL R. HENRY, General Counsel	Alpena, Michigan

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### FISCAL AND TRANSFER AGENTS

J. P. Morgan & Company	New York, N. Y.
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### REGISTRAR OF STOCK

Central Hanover Bank and Trust Company	New York, N. Y.
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### ANNUAL MEETING

The last Tuesday in April is the date of Annual Meeting of Stockholders  
General Office ..... Tawas City, Michigan

**JOE C. TREPANIER**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**LAFAYETTE BUILDING**  
**DETROIT**

26

January 28, 1949

To The Stockholders and Board of Directors of  
Detroit and Mackinac Railway Company  
Tawas City, Michigan

We have examined the Statement of Financial Condition of the Detroit and Mackinac Railway Company as at December 31, 1948 and the related Statement of Income and Earned Surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the position of the Detroit and Mackinac Railway Company at December 31, 1948 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles prescribed by the Interstate Commerce Commission.

**JOE C. TREPANIER**  
Certified Public Accountant

## DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Michigan  
April 1, 1949

### TO THE STOCKHOLDERS:

The following report is submitted covering the operation of your company during the year 1948.

REVENUES from freight traffic handled exceeded the previous year and accounted for more than 93 percent of the total gross earnings.

The Interstate Commerce Commission authorized freight rate increases effective January 5, 1948 providing increases of 20 percent in lieu of a previous 10 percent granted on October 13, 1947. Effective May 6, 1948 the 20 percent increase was replaced by a 30 percent advance, all increases being subject to certain maximums and exceptions. On August 31 the 30 percent interim increase was made permanent, with further adjustments for maximum increases.

Passenger fares produced a new low in revenues, aggregating less than one percent of gross. This reduction in passenger traffic resulted largely from the competition of bus transportation and private passenger automobiles.

Mail revenues reflected a 25 percent interim increase effective February 1, 1948 which was retroactive to February 19, 1947. The decision for further mail pay increases is now pending before the Interstate Commerce Commission.

OPERATING EXPENSES reflect advances in prices during the year 1948 as compared to 1947 in materials and supplies, mainly track material and Diesel fuel, and increases in wages.

In September, 1947 a Presidential fact-finding board awarded both train and enginemen a 15½ cent per hour increase, and the non-operating employees received a similar award. In October, 1948 an additional 10-cent per hour increase was given the train and enginemen; non-operating employees received a seven-cent per hour increase. Effective September 1, 1949 a 40-hour week has been granted all non-operating employees, with an additional 20 percent increase to provide the same earnings for 40 hours as now received for a 48-hour week.

GENERAL During the year your company's rolling stock and motive power was further augmented by the purchase of 25 all-steel hopper cars at a cost of \$100,270, an additional Diesel locomotive costing \$131,240, and other miscellaneous equipment items costing \$24,253.

Negotiations were completed during the year with the Erie and Michigan Railway and Navigation Company for your company to resume operation of its own branch previously leased to the above company. Certain additional track facilities were necessary on this branch, and this expenditure along with the replacement of 5.35 miles of 70 pound rail with 90 pound rail required additional capital investment in physical property in the amount of \$54,672 for the year 1948.

Retirements of equipment during the year consisted principally of the four remaining steam locomotives and obsolete rolling stock equipment amounting to \$148,149. Retirement of other physical property along the line augmented this total to \$224,025.

A simplified income statement is as follows:—

	Year 1948	Year 1947	Increase - I Decrease - D
<b>INCOME:</b>			
Freight .....	\$2,045,692.24	\$1,647,403.80	\$ 398,288.44 I
Passenger .....	14,764.71	21,164.85	6,400.14 D
Other Transportation			
Revenues .....	138,334.89	140,692.81	2,357.92 D
Other Income .....	14,452.97	13,229.68	1,223.29 I
<b>TOTAL .....</b>	<b>\$2,213,244.81</b>	<b>\$1,822,491.14</b>	<b>\$ 390,753.67 I</b>
<b>OUTGO:</b>			
Wages .....	\$ 739,200.40	\$ 704,202.10	\$ 34,998.30 I
Fuel .....	44,961.61	36,006.84	8,954.77 I
Material and Supplies .....	238,568.66	143,680.24	94,888.42 I
Railway Tax Accruals Other than Federal Income Tax	78,588.27	97,615.74	19,027.47 D
Rental of Equipment, Debit Balance .....	36,472.36	68,973.78	32,501.42 D
Interest on Debt, Funded and Unfunded .....	101,802.55	109,435.24	7,632.69 D
Depreciation Charges .....	155,460.14	139,949.19	15,510.95 I
Other Operating and Non- Operating Expenses .....	112,012.81	114,109.04	2,096.23 D
<b>TOTAL .....</b>	<b>\$1,507,066.80</b>	<b>\$1,413,972.17</b>	<b>\$ 93,094.63 I</b>
Net Income before Federal Income Tax .....	\$ 706,178.01	\$ 408,518.97	\$ 297,659.04 I
Federal Income Tax Accrual	269,964.37	139,776.34	130,188.03 I
<b>NET INCOME \$</b>	<b>436,213.64</b>	<b>\$ 268,742.63</b>	<b>\$ 167,471.01 I</b>

Your dollars of income for 1948 were earned and spent as follows:

Earnings	Cents	Disposition	Cents
Products of Agriculture .....	4	Wages .....	33
Animals and Products .....	1	Materials and Fuels .....	13
Products of Mines .....	29	Taxes .....	16
Products of Forests .....	7	Net Equipment Rents .....	2
Products of Manufacturers .....	52	Depreciation .....	7
Handling of Passengers .....	1	Other Expenses .....	5
Other Transportation Revenue	5	Interest .....	5
Other Service .....	1	Net Income .....	19
<b>TOTAL .....</b>	<b>100</b>		<b>100</b>

A simplified balance sheet of your company as of December 31, 1948 is as follows:

<b>ASSETS:</b>	
Road Property and Equipment, less depreciation .....	\$7,469,976.76
Sinking Funds .....	270,259.50
Miscellaneous Property .....	47,860.79
Cash .....	202,060.34
Government Securities .....	332,060.00
Material and Supplies .....	158,585.33
Other Assets .....	154,797.52
<b>TOTAL ASSETS</b> .....	<b>\$8,635,600.24</b>
<b>LIABILITIES:</b>	
Equipment Obligations .....	\$1,259,238.23
Accounts and Wages Payable .....	100,518.02
Accrued Taxes .....	308,939.05
Other Liabilities .....	196,358.92
Bonded Indebtedness .....	1,586,000.00
<b>Capital Stock and Surplus:</b>	
Capital Stock .....	2,950,000.00
Surplus .....	2,234,546.02
<b>TOTAL LIABILITIES</b> .....	<b>\$8,635,600.24</b>

It is with pride and sincere appreciation that your Directors acknowledge the efforts of every member of the company's organization. It will be the continued aim of your Management to better serve the communities through which we operate, and to conduct its business with ever improving efficiency and to the best interest of its stockholders.

By order of the Board of Directors.

CHARLES A. PINKERTON, JR.  
President and General Manager



TABLE A

## DETROIT AND MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1948, AND CAMPARISON WITH  
DECEMBER 31, 1947

## ASSETS

<i>Investments:</i>		Increase	Decrease
Investment in Road and Equipment .....	\$8,087,237.89	\$ 86,409.57	
Less Accrued Depreciation .....	610,449.37	32,833.93	
Net Investment .....	7,476,788.52	53,575.64	
Less Donations and Grants .....	6,811.76		
Miscellaneous Physical Property .....	47,860.79	6,644.00	
Sinking Funds .....	270,259.50	270,259.50	
Total Investment Less Depreciation .....	\$7,788,097.05	330,479.14	
<i>Current Asset:</i>			
Cash .....	202,060.34		\$345,694.93
Temporary Cash Investments .....	332,060.00	257,060.00	
Special Deposits .....	13,760.00		5,080.00
Net Balances Receivable from			
Agents and Conductors .....	46,268.42		
Miscellaneous Accounts Receivable .....	47,120.78		9,420.55
Material and Supplies .....	158,585.33		7,632.98
Accrued Accounts Receivable .....	37,403.19	6,706.79	
Other Current Assets .....	238.04	90.47	15,410.86
	837,496.10		119,382.06
<i>Deferred Assets:</i>			
Working Fund Advances .....	559.91		31.63
<i>Unadjusted Debits:</i>			
Prepayments .....		5,607.64	1,983.71
Other Unadjusted Debits .....		3,623.93	
	9,447.18		
	<u>\$8,635,600.24</u>		\$214,689.38

TABLE A—(Continued)

## LIABILITIES

		Increase	Decrease
<i>Capital Stock:</i>			
Common Stock .....	\$2,000,000.00		
Preferred Stock .....	950,000.00		
	<hr/>		
<i>Long Term Debt:</i>			
First Lien Bonds .....	979,000.00		
Mortgage Bonds .....	607,000.00		\$174,000.00
Equipment Obligations .....	1,259,238.23	\$ 23,556.41	149,000.00
	<hr/>		
	\$2,950,000.00		
	<hr/>		
<i>Current Liabilities:</i>			
Traffic and Car Service Balances Payable .....	60,133.77		299,443.59
Audited Accounts and Wages Payable .....	100,518.02		113,072.92
Miscellaneous Accounts Payable .....	57,729.36	27,320.74	23,379.64
Interest Matured Unpaid .....	13,788.44		5,611.56
Unmatured Interest Accrued .....	5,764.22		599.11
Accrued Accounts Payable .....	30,756.14	30,023.89	
Other Current Liabilities .....	23,501.19		27,424.69
Taxes Accrued .....	38,974.68		359.56
Federal Income Tax Payable .....	269,964.37	130,188.03	
	<hr/>		
	601,130.19	17,085.18	
	4,685.80	12.00	
	<hr/>		
<i>Deferred Liabilities:</i>			
<i>Unadjusted Credits:</i>	—		.85
<i>Corporate Surplus:</i>			
Earned Surplus-Appropriated .....	1,850,448.40	497,036.64	
Earned Surplus-Credit Balance .....	348,097.62	497,036.64	
	<hr/>		
	2,234,546.02		
	<hr/>		
	\$8,635,600.24		\$214,689.38

TABLE B

## DETROIT AND MACKINAC RAILWAY COMPANY

INCOME ACCOUNT FOR YEAR ENDING DECEMBER 31, 1948  
COMPARED WITH YEAR ENDING DECEMBER 31, 1947

## OPERATING REVENUES:

	1948	Increase	Decrease
Freight .....	\$2,045,692.24	\$398,288.44	
Passenger .....	14,764.71		\$6,400.14
Baggage .....	50.09		31.19
Mail .....	38,677.00	13,077.00	
Express .....	15,398.44		3,131.71
Other Passenger Train .....	852.01		218.18
Milk .....	9,071.81	892.32	
Switching .....	42,011.10		4,330.37
Station Privileges .....			9.79
Parcel Room .....			1.00
Storage — Freight .....	885.98		208.68
Storage — Baggage .....	106.01	106.01	
Demurrage .....	21,812.25		3,678.70
Telegraph and Telephone .....	2.87		29.90
Rents of Buildings and Other Property .....	6,524.10	728.59	
Miscellaneous .....	2,941.42		5,517.18
Joint Facility Cr. ....	1.81		5.14
Total Operating Revenues .....	\$2,198,791.84	\$389,530.38	

## OPERATING EXPENSES:

Maintenance of Way and Structures ....	\$ 463,464.68	\$ 64,312.13
Maintenance of Equipment .....	252,400.58	38,195.24
Traffic .....	22,244.34	6,142.55
Transportation .....	449,552.89	35,195.18
General .....	100,263.51	11,264.54

Total Operating Expenses .....\$1,287,926.00 \$155,109.64

Net Operating Revenue .....	\$ 910,865.84	\$234,420.74
Railway Tax Accruals .....	348,552.64	111,160.56

Railway Operating Income .....\$ 562,313.20 \$123,260.18

Income from Lease of Road and Equipment .....	1,852.64		108.83
Miscellaneous Rent Income .....	6,032.59	1,159.26	
Miscellaneous Physical Property .....	2,293.16	780.95	
Income from Unfunded Securities and Accounts .....	1,883.50		237.00
Miscellaneous Income .....	230.00	40.00	
Equipment Rents .....Dr.	36,472.36	32,501.42	
Joint Facility Rents .....	1,901.58		670.59
Income from Sinking Funds .....	259.50	259.50	

Total Income .....\$ 540,293.81 \$156,984.89

Miscellaneous Rents .....	\$ 1.00		71.00
Miscellaneous Tax Accruals .....	845.18		36.24
Interest on Funded Debt .....	101,794.05		7,629.48
Interest on Unfunded Debt .....	8.50		3.21
Miscellaneous Income Charges .....	1,431.44		124.19
Delayed Income Debits .....			2,622.00

Net Income .....\$ 436,213.64 \$167,471.01

TABLE B—(Continued)

## DETROIT AND MACKINAC RAILWAY COMPANY

## PROFIT AND LOSS ACCOUNT

Debit Balance, January 1, 1948 .....	\$112,939.02	
Credit Balance Transferred from Income .....		\$436,213.64
Miscellaneous Credits .....		83,451.20
Miscellaneous Debits .....	22,628.20	
Credit Balance Carried to Balance Sheet .....	384,097.62	
	<u>\$519,664.84</u>	<u>\$519,664.84</u>

TABLE C

## PARTICULARS OF BONDED DEBT

Class of Bonds	Amount Outstanding 12/31/48	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$ 979,000.00	4 %	June and December	\$44,018.00	June 1, 1995
Mort.	607,000.00	4 %	June and December	28,147.00	June 1, 1995
	<u>\$1,586,000.00</u>			<u>\$72,165.00</u>	

TABLE D

## DETROIT AND MACKINAC RAILWAY COMPANY

## COMPARATIVE FINANCIAL STATEMENT

CURRENT ASSETS	Dec. 31 1946	Dec. 31, 1947	Dec. 31, 1948
Cash .....	\$ 525,415.98	\$ 547,755.27	\$ 202,060.34
Special Funds .....	84,320.00	93,840.00	345,820.00
Due from Station Agents and Others ..	107,196.23	110,442.73	93,389.20
Material and Supplies .....	133,171.56	151,878.54	158,585.33
Prepaid and Deferred Charges .....	18,934.78	53,553.16	38,201.14
Other Unadjusted Debits .....	19,901.18	5,823.25	9,447.18
Totals .....	\$ 888,939.73	\$ 963,292.95	\$ 847,503.19
LESS CURRENT LIABILITIES			
Audited Vouchers and Pay Rolls .....	\$ 138,084.43	\$ 123,897.66	\$ 100,518.02
Accrued Taxes, Interest and Traffic Balances .....	282,473.08	464,821.15	505,297.97
Totals .....	\$ 420,557.51	\$ 588,718.81	\$ 605,815.99
Net Current Assets .....	\$ 468,382.22	\$ 374,574.14	\$ 241,687.20
CAPITAL ASSETS			
Cost of Road .....	\$5,871,637.23	\$5,817,876.62	\$5,796,672.61
Cost of Equipment .....	1,450,461.76	2,182,951.70	2,290,565.28
Miscellaneous Physical Property .....	32,000.53	41,216.79	47,860.79
Sinking Funds .....			270,259.50
Totals .....	\$7,354,099.52	\$8,042,045.11	\$8,405,358.18
REPRESENTING			
Bonds Issued—First Lien .....	\$1,159,000.00	\$1,153,000.00	\$ 979,000.00
Bonds Issued—Mortgage .....	1,022,000.00	756,000.00	607,000.00
Stock Issued—Common .....	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred .....	950,000.00	950,000.00	950,000.00
Equipment Obligations .....	587,701.68	1,235,681.82	1,259,238.23
Reserves .....	740,664.49	577,615.44	610,449.37
Grants in Aid of Construction .....	6,811.76	6,811.76	6,811.76
Other Unadjusted Credits .....	15.31	.85	
Appropriated Surplus .....	1,850,448.40	1,850,448.40	1,850,448.40
Earned Surplus .....	* 494,159.90	* 112,939.02	384,097.62
Totals .....	\$7,822,481.74	\$8,416,619.25	\$8,647,045.38

\*Deficit

TABLE E

## DETROIT AND MACKINAC RAILWAY COMPANY

## REVENUE AND EXPENSES BY YEARS

	1944		1945		1946		1947		1948	
	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
REVENUES										
Freight .....	\$ 786,312.68	77.38	\$ 833,680.38	80.19	\$ 1,295,587.72	91.50	\$ 1,647,403.80	91.0	\$ 2,045,692.24	93.04
Passenger .....	138,745.11	13.65	110,827.93	10.68	38,440.85	2.72	21,164.85	1.2	14,764.71	.67
Mail .....	40,594.61	4.00	41,202.98	3.94	36,471.14	2.58	25,600.00	1.4	38,677.00	1.76
Express .....	23,861.03	2.35	20,295.71	1.92	5,878.76	.41	18,530.15	1.0	15,398.44	.70
Milk .....	8,388.45	.81	7,667.22	.77	6,769.24	.47	8,179.49	.5	9,071.81	.41
Other Sources .....	18,352.73	1.81	25,980.70	2.50	32,825.01	2.32	88,383.17	4.9	75,187.64	3.42
Total .....	\$1,016,204.61	100 %	\$1,039,654.92	100 %	\$1,415,972.72	100 %	\$1,809,261.46	100 %	\$2,198,791.84	100 %
EXPENSES										
Maintenance of Way and Structures .....	\$ 218,350.27	25.12	\$ 217,438.29	25.38	\$ 278,525.85	26.92	\$ 399,152.55	35.3	\$ 463,464.68	35.99
Maintenance of Equipment .....	210,797.22	24.25	189,786.19	22.23	208,948.86	20.19	214,205.34	19.0	252,400.58	19.60
Traffic .....	9,876.79	1.14	9,003.57	1.05	10,015.60	.96	16,101.79	1.4	22,244.34	1.73
Transportation .....	383,181.26	44.08	392,072.63	45.85	464,785.40	44.91	414,357.71	36.6	449,552.89	34.90
General .....	47,088.16	5.41	47,094.78	5.49	72,794.89	7.02	88,998.97	7.7	100,263.51	7.78
Total .....	\$ 869,293.70	100 %	\$ 855,395.46	100 %	\$1,035,070.60	100 %	\$1,132,816.36	100 %	\$1,287,926.00	100 %
Operating Ratio .....		85.55 %		82.31 %		73.10 %		62.60 %		58.55 %
Net Operating Income .....	\$ 146,910.91	14.45	\$ 184,259.46	17.69	\$ 380,902.12	26.90	\$ 676,445.10	37.4	\$ 910,865.84	41.43
Taxes .....	51,865.66	5.10	52,580.63	5.00	84,382.30	5.95	237,392.08	13.1	348,552.64	15.85
Net Operating Income Less Taxes..\$	95,045.25	9.35	\$ 131,678.83	12.69	\$ 296,519.82	20.95	\$ 439,053.02	24.3	\$ 562,313.20	25.58

TABLE E-1

## DETROIT AND MACKINAC RAILWAY COMPANY

## RAILWAY OPERATING REVENUES, EXPENSES AND TAX ACCRUALS BY YEARS

Year	Revenues	Expenses	Net Operating Revenue	Railway Tax Accruals	Net Operating Revenue Less Tax Accruals
1934	\$ 632,904.36	\$ 514,332.73	\$118,571.63	\$ 1,733.27	\$116,838.36
1935	654,505.91	548,623.57	105,882.34	15,247.76	90,634.58
1936	803,484.39	605,305.79	198,178.60	21,118.51	177,060.09
1937	885,445.46	694,643.86	190,801.60	35,134.67	155,666.93
1938	877,856.23	630,599.65	247,256.58	34,889.55	212,367.03
1939	876,809.06	643,663.46	233,145.60	43,708.16	189,437.44
1940	849,680.71	623,629.04	226,051.67	41,753.93	184,297.74
1941	845,559.26	643,292.35	202,266.91	41,775.56	160,491.35
1942	1,189,479.04	728,314.96	461,164.08	53,262.32	407,901.76
1943	975,711.81	932,649.82	43,061.99	80,802.63	†37,740.64
1944	1,016,204.61	869,293.70	146,910.91	51,865.66	95,045.25
1945	1,039,654.92	855,395.46	184,259.46	52,580.63	131,678.83
1946	1,415,972.72	1,035,070.60	380,902.12	84,382.30	296,519.82
1947	1,809,261.46	1,132,816.36	676,445.10	237,392.08	439,053.02
1948	2,198,791.84	1,287,926.00	910,865.84	348,552.64	562,313.20

† Deficit

TABLE F

## DETROIT AND MACKINAC RAILWAY COMPANY

## OPERATING EXPENSES

1948 COMPARED WITH 1947

## MAINTENANCE OF WAY AND STRUCTURES

	Amount	Increase	Decrease
Superintendence .....	\$ 28,141.74	\$ 424.54	
Roadway Maintenance .....	29,467.83	7,257.79	
Bridges, trestles, and culverts .....	2,192.69	396.50	
Ties .....	104,288.12	33,523.21	
Rails .....	21,103.96	6,093.65	
Other Track Material .....	19,339.44		\$11,662.60
Ballast .....	4,531.78	2,985.73	
Track Laying and Surfacing .....	131,747.00	18,406.55	
Fences, Snowsheds, and Signs .....	5,490.37		5,803.16
Station and Office Buildings .....	5,693.04	2,338.34	
Roadway Buildings .....	162.94		.40
Water Stations .....	24.22	173.65	
Fuel Stations .....	57.18		318.84
Shops and Enginehouses .....	11,870.86		5,357.39
Telegraph and Telephone Lines .....	7,552.04	490.14	
Signals and Interlockers .....	636.38	112.22	
Road Property—Depreciation .....	31,333.33		2,874.61
Retirements—Road .....	33,076.13	23,539.57	
Roadway Machines .....	2,013.52		3,528.79
Dismantling Retired Road Property .....	2,619.88	1,441.00	
Small Tools and Supplies .....	6,214.86	1,441.67	
Removing Snow, Ice and Sand .....	9,046.14		8,236.64
Public Improvements, Maintenance .....	4,524.71	2,662.12	
Injuries to Persons .....	652.67		62.28
Insurance .....	1,191.12	289.54	
Stationery and Printing .....	370.04	228.00	
Other Expenses .....	12.38		21.00
Maintaining Joint Tracks, Yards and Other Facilities—Dr. ....	834.66		133.56
Maintaining Joint Tracks, Yards and Other Facilities—Cr. ....	724.35	Cr. 507.18	
Total .....	\$463,464.68	\$64,312.13	



TABLE F—(Continued)

## MAINTENANCE OF EQUIPMENT

	Amount	Increase	Decrease
Superintendence .....	\$ 28,537.25		\$ 841.09
Shop Machinery .....	2,534.51	\$ 539.65	
Power Plant Machinery .....	12.65		90.86
Power Plant Machinery—Depreciation....	3,427.65		242.35
Dismant. Shop and Power Plant Mach'y ..			352.04
Steam Locomotives—Repairs .....			1,086.79
Other Locomotives—Repairs .....	38,377.43	14,739.16	
Freight-train Cars—Repairs .....	35,558.11	3,106.92	
Passenger-train Cars—Repairs .....	14,139.61	428.26	
Work Equipment—Repairs .....	6,016.87	1,168.00	
Miscellaneous Equipment—Repairs .....	1,697.00	966.71	
Equipment—Retirements .....	188.80		825.38
Equipment—Depreciation .....	120,699.16	18,627.91	
Injuries to Persons .....	438.82		152.68
Insurance .....	2,650.04	516.67	
Stationery and Printing .....	372.51	242.69	
Other Expenses .....	1,799.51	Cr. 1,380.89	
Maintaining Joint Equipment—Dr. ....	228.49		341.10
Maintaining Joint Equipment—Cr. ....	678.81	Cr. 410.67	
Total .....	\$252,400.58	\$38,195.24	

## TRAFFIC

Superintendence .....	\$ 15,456.79	\$ 4,392.35
Advertising .....	2,205.96	615.46
Traffic Associations .....	1,333.11	561.42
Insurance .....	445.58	236.20
Stationery and Printing .....	2,802.90	337.12
Total .....	\$ 22,244.34	\$ 6,142.55

## TRANSPORTATION—RAIL LINE

Superintendence .....	\$ 35,427.48	\$ 2,050.22	
Dispatching Trains .....	5,240.17		\$ 284.76
Station Employees .....	91,347.28	1,884.02	
Wei'g Inspc'n and Demurrage Bureaus ..	808.42		4.78
Station Supplies and Expenses .....	5,264.58	863.47	
Yardmaster and Yard Clerks .....	8,443.70	1,653.86	
Yard Conductors and Brakemen .....	25,189.57	4,644.57	
Yard Motormen .....	16,248.69	1,595.23	
Yard Enginemen .....			517.34
Yard Switching Fuel .....	6,211.29	370.64	
Water for Yard Locomotives .....			73.40
Lubricants for Yard Locomotives .....	330.49		298.68
Other Supplies for Yard Locomotives ....	273.11		16.89
Enginehouse Expenses—Yard .....	7,388.28	253.12	
Yard Supplies and Expenses .....	1,948.40	1,233.95	

TABLE F—(Continued)

	Amount	Increase	Decrease
Train Enginemen .....			\$ 973.80
Train Motormen .....	\$ 59,819.94	\$ 9,284.28	
Train Fuel .....	38,750.32	8,584.13	
Water for Train Locomotives .....	30.80	872.68	
Lubricants for Train Locomotives .....	2,615.53		468.30
Other Supplies for Train Locomotives ..	1,232.32		455.98
Enginehouse Expenses—Train .....	22,057.46		4,629.71
Trainmen .....	74,940.57	10,756.72	
Train Supplies and Expenses .....	17,475.77	3,583.27	
Signal and Interlocking Operation .....	151.10		350.11
Drawbridge Operation .....	7,769.61	1,035.66	
Telegraph and Telephone Operation .....	448.73		2,910.33
Stationery and Printing .....	3,794.35		204.90
Other Expenses .....	4,751.87	406.79	
Insurance .....	7,279.64	3,820.84	
Clearing Wrecks .....	681.76		306.20
Damage to Property .....			586.66
Damage to Live Stock on Right of Way ..	232.02	126.88	
Loss and Damage—Freight .....	7,771.94		4,701.56
Loss and Damage—Baggage .....			36.00
Injuries to Persons .....	2,872.80	1,856.55	
Opera'g Joint Yards and Terminals—Dr.	8,766.23		2,154.23
Opera'g Joint Yards and Terminals—Cr.	12,186.01	Cr. 32.64	
Opera'g Joint Tracks and Facilities—Dr.	292.30		92.81
Opera'g Joint Tracks and Facilities—Cr.	4,117.62	Cr.	647.90
Total .....	\$449,552.89	\$35,195.18	

## GENERAL

Salaries and Expenses of General Officers	\$ 20,478.63	\$ 2,004.35
Salaries and Exp's of Clerks and Attend's	51,560.36	9,058.17
General Office Supplies and Expenses ..	2,497.99	1,599.40
Law Expenses .....	7,272.64	2,001.48
Insurance .....	474.26	236.09
Pensions .....	2,974.60	2,653.81
Stationery and Printing .....	6,804.75	1,034.42
Other Expenses .....	8,200.28	7,323.18
Total .....	\$100,263.51	\$11,264.54

## SUMMARY

Maintenance of Ways and Structures..	\$ 463,464.68	\$ 64,312.13
Maintenance of Equipment .....	252,400.58	38,195.24
Traffic .....	22,244.34	6,142.55
Transportation .....	449,552.89	35,195.18
General .....	100,263.51	11,264.54
Total Operating Expenses .....	\$1,287,926.00	\$155,109.64

TABLE G

## DETROIT AND MACKINAC RAILWAY COMPANY

## STATEMENT OF MILEAGE, DECEMBER 31, 1948

## MAIN LINE

North Bay City to Cheboygan .....	195.10
One-half Undivided Ownership—Foss to North Bay City .....	.13

## BRANCHES

Omer to AuGres .....	7.95
Alabaster Junction to Alabaster .....	4.18
Hillman Junction to Emerson .....	10.38
Rogers City Junction to Rogers City .....	14.33
Total .....	36.84
Total Main Line and Branches .....	232.07
Yard Tracks and Sidings .....	51.53
Total, all Tracks (miles) .....	283.60

TABLE H

## DETROIT AND MACKINAC RAILWAY COMPANY

## CLASSIFICATION OF FREIGHT TONNAGE

	1947 Tons	Per Cent	1948 Tons	Per Cent
<i>Products of Agriculture:</i>				
Grain .....	7,597	.6	11,192	.9
Flour .....	3,053	.3	3,250	.2
Other Mill Products .....	263		297	
Hay and Straw .....	1,842	.2	1,220	.1
Potatoes .....	15,540	1.3	9,990	.7
Fruits and Vegetables .....	6,892	.6	6,405	.5
Sugar Beets .....	3,704	.3	4,306	.3
Other Products of Agriculture .....	420		345	
Totals .....	39,311	3.3	37,005	2.7

TABLE H—(Continued)

	1947 Tons	Per Cent	1948 Tons	Per Cent
<i>Animals and Products:</i>				
Livestock .....	1,302	.1	637	
Wool .....	105			
Hides and Leather .....	4,906	.4	5,577	.5
Other Animals and Products .....	1,961	.2	1,544	.1
Totals .....	8,274	0.7	7,758	.6
<i>Products of Mines:</i>				
Anthracite Coal .....	655	.1	1,270	.1
Bituminous Coal .....	43,250	3.6	49,355	3.6
Coke .....	2,125	.2	1,917	.1
Clay, Gravel, Sand and Stone .....	598,284	50.6	695,220	50.9
Other Products of Mines .....	2,480	.2	2,105	.2
Totals .....	646,794	54.7	749,867	54.9
<i>Product of Forests:</i>				
Lumber, Shingles and Lath .....	19,902	1.7	12,540	.9
Pulp Wood .....	38,572	3.3	74,846	5.5
Other Products of Forests .....	8,297	.7	12,720	.9
Totals .....	66,771	5.7	100,106	7.3
<i>Manufacturers and Miscellaneous:</i>				
Refined Petroleum and its Products .....	41,503	3.5	56,248	4.1
Sugar .....	440		567	
Rails and Fastenings .....	476		1,809	.1
Bar and Sheet Iron, Structural Iron, and Iron Pipe .....	20,396	1.7	7,928	.6
Castings, Machinery and Boilers .....	7,731	.7	4,447	.3
Cement .....	52,704	4.5	74,225	5.4
Brick and Artificial Stone .....	3,896	.3	2,765	.2
Lime and Plaster .....	42,405	3.6	55,114	4.0
Building Paper and Prepared Roofing Material .....	5,326	.5	3,541	.3
Beverages .....	802	.1	333	
Fertilizers (all kinds) .....	6,787	.6	8,035	.6
Newsprint and Printing Paper .....	29,847	2.5	22,591	1.7
Canned Goods (all canned food products) ....	2,013	.2	1,503	.1
Paper Bags and Wrapping Paper .....	1,088	.1	3,893	.3
Paperboard, Pulpboard and Wallboard .....	101,684	8.6	142,192	10.4
Other Manufacturers and Miscellaneous .....	88,351	7.5	75,425	5.5
Totals .....	405,449	34.4	460,616	33.7
All L. C. L. Freight .....	14,780	1.2	11,309	.8
Grand Total, Carload and L. C. L. Traffic .....	1,181,439	100%	1,366,661	100%

TABLE I

## DETROIT AND MACKINAC RAILWAY COMPANY

## FREIGHT STATISTICS

	1947	1948
Number tons revenue freight carried .....	1,181,439	1,366,661
Number tons non-revenue freight carried .....	23,882	23,015
Total number tons of freight carried .....	1,205,321	1,389,676
Number revenue tons carried one mile .....	105,342,000	104,277,000
Number all tons carried one mile .....	107,047,911	105,882,000
Number revenue tons carried one mile, per mile of road .....	462,026	453,735
Number tons all freight carried one mile, per mile of road .....	469,509	460,717
Average distance haul of one ton revenue freight (miles) .....	89.1	76.3
Average distance haul of one ton all freight (miles) .....	88.8	76.2
Total Freight Revenue .....	\$ 1,647,404	\$ 2,045,692
Average amount received for each ton of freight .....	\$ 1.39	\$ 1.50
Average receipts, per ton, per mile .....	\$ .01563	\$ .01962
Freight revenue, per mile of road .....	\$ 7,224.82	\$ 9,292.70
Freight revenue, per train mile .....	\$ 11.98	\$ 14.39
Average number of revenue tons, per train mile .....	765	735
Average number of all tons, per train mile .....	778	745
Average number of all tons, per loaded car mile .....	37.7	36.8
Average number of cars, per train mile .....	31.5	35.1

## PASSENGER STATISTICS

Number of passengers carried .....	9,494	8,616
Number of passengers carried one mile .....	781,719	612,980
Number of passengers carried one mile, per mile of road .....	3,705	2,667
Average distance each passenger carried (miles) .....	82.3	71.14
Passenger revenue .....	\$ 21,166	\$ 14,765
Average amount received from each passenger .....	\$ 2.23	\$ 1.71
Average receipts, per passenger, per mile .....	\$ .0271	\$ .02409
Total passenger train earnings .....	\$ 74,626	\$ 78,815
Passenger train earnings, per mile of road .....	\$ 353.68	\$ 372.66
Passenger train earnings, per train mile .....	\$ .82	\$ .86
Average number of passenger, per train mile .....	9.6	6.7

## OPERATING STATISTICS

Gross revenue from operation .....	\$ 1,809,261.46	\$ 2,198,791.84
Gross revenue from operation, per mile of road .....	\$ 7,935.35	\$ 9,567.45
Operating Expenses .....	\$ 1,132,816.36	\$ 1,287,926.00
Operating expenses, per mile of road .....	\$ 4,968.49	\$ 5,604.06
Net Operating Revenue .....	\$ 676,445.10	\$ 910,865.44
Net operating revenue, per mile of road .....	\$ 2,966.86	\$ 3,963.39
Ratio of expense to earnings .....	62.6	58.55

TABLE J

DETROIT AND MACKINAC RAILWAY COMPANY

EQUIPMENT

*Locomotives:*

	1947	1948
Steam — Freight .....	4	
Diesel — Road Switchers .....	5	6
Diesel — Switching .....	1	1
Gasoline — Switching .....	1	1
Totals .....	11	8

*Passenger Cars:*

Coaches .....	4	4
Cafe .....	1	
Parlor .....	1	1
Gas Electric Combination Passenger, Baggage and Mail .....	2	2
Combination Passenger and Baggage .....	2	2
Combination Baggage and Mail .....	2	2
Baggage and Express Cars .....	7	6
Express Refrigerators .....	9	7
Totals .....	28	24

*Freight Cars:*

Box .....	214	205
Flat .....	11	12
Hoppers — Open .....	71	86
Caboose Cars .....	8	11
Troop Sleepers .....	4	1
Totals .....	308	315

*In Company's Service:*

Officers .....	1	1
Ballast .....	3	3
Flangers .....	11	11
Jordon Spreader .....	1	1
Industrial Crane .....	1	1
Other Road Cars .....	26	27
Totals .....	43	44

*Summary:*

Total Number of Locomotives Owned .....	11	8
Total Number of Cars Owned .....	379	383

# TABLE K

## DETROIT AND MACKINAC RAILWAY COMPANY

### STATEMENT OF TRACKS BUILT AND TAKEN UP DURING YEAR 1948

#### TRACKS BUILT

Track Order	YARD TRACKS, SIDINGS, AND SPURS	Location	Feet
3345	Build Track 192, Boiler Shop .....	Tawas Shop	452
3346	Build Track 12-A, Boiler Shop .....	Tawas Shop	398
3347	Build south end of Track No. 11 .....	Tawas Shop	218
3362	Build Track 6-B of Track 6 .....	Tawas Shop	493
3363	Extend Track No. 18 southerly .....	Tawas Shop	517
3400	Extend Track No. 4 .....	Tawas City	25
3456	Build Track No. 1-A .....	Alabaster	1550
3467	Build 7½ degree Wye Track .....	Alabaster Br'ch.	1563
3475	Extend Track No. 2 .....	Alabaster	69
			<hr/> 5285

#### TRACKS TAKEN UP

Track Order	YARD TRACKS, SIDINGS, AND SPURS	Location	Feet
3390	Retire balance of Track 158 .....	Norwicki	361
3391	Retire Track No. 152 .....	Polaski	1210
3394	Retire north end of Track 141 .....	Ossineke	887
3407	Retire Track No. 63-B .....	Alpena	143
3412	Retire balance of Track 159 .....	Metz	385
3427	Retire Track O-1, Tawas Yard .....	Tawas City	726
3446	Shorten Track No. 77 .....	Turner	105
3458	Retire north end of Track 134 .....	Alcona	1391
3470	Retire balance of Rockport Branch .....	Alpena	12291.5
			<hr/> 17499.5

#### SUMMARY

Tracks taken up .....	17499.5
Tracks built .....	5285

Net Retirement 12214.5 Feet or  
2.31 Miles







